

Message Text

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61

ORIGIN XMB-04

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06 SP-02

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EB/IFD/ODF: BGCROWE

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R 271603Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR

UNCLAS STATE 018475

E.O. 11652: N/A

TAGS: APUD, MY

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO MALAYSIA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF DOLS 2.4 MILLION TO MALAYSIAN AIRLINE SYSTEM
BERHAD (MAS). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN
WASHINGTON, D.C. FOR A.M. PAPERS, FRIDAY, FEBRUARY 7, 1975.

QUOTE: EXIMBANK HEKPS FINANCE DOLS 8 MILLION SALE OF U.S.

JET AIRCRAFT WITH DOLS 2.4 MILLION CREDIT TO MALAYSIA

TO HELP FINANCE AN DOLS 8 MILLION SALE OF ONE BOEING 737-200
AIRCRAFT PLUS RELATED SPARE PARTS AND GROUND SUPPORT EQUIPMENT
TO MALAYSIA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK
OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 2.4
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MILLION TO FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING

TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 4.8 MILLION WILL BE PROVIDED BY THE EMPLOYEES PROVIDENT FUND BOARD, A MALAYSIAN INSTITUTION SIMILAR TO THE U.S. SOCIAL SECURITY SYSTEM, TO FINANCE 60 PERCENT OF THE U.S. COSTS. THE OBLIGOR, MALAYSIAN AIRLINE SYSTEM BERHAD (MAS) OF KUALA LUMPUR, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR DOLS 800,000. MAS IS OWNED BY THE GOVERNMENT OF MALAYSIA.

THE BOEING COMPANY OF SEATTLE, WASHINGTON, IS SCHEDULED TO MAKE DELIVERY OF THE AIRCRAFT IN SEPTEMBER 1975.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING MARCH 15, 1976. EXIMBANK'S DIRECT CREDIT OF DOLS 2.4 MILLION WILL BE REPAID OUT OF THE LAST 7 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 8.5 PERCENT TO 8.75 PERCENT PER ANNUM.
KISSINGER

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Margaret P. Grafeld
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TAGS: EFIN, MY, XMB, MALAYSIAN AIRLINE SYSTEM
To: KUALA LUMPUR
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